



General Assembly

**Substitute Bill No. 5602**

February Session, 2006

\* \_\_\_\_\_ HB05602BA \_\_\_\_\_ 030906 \_\_\_\_\_ \*

**AN ACT ESTABLISHING THE CONNECTICUT HOMEOWNERSHIP  
ASSISTANCE FOR NEIGHBORHOOD AND COMMUNITY  
EMPOWERMENT GRANT PROGRAM.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (NEW) (*Effective October 1, 2006*) (a) The Connecticut  
2       Housing Finance Authority shall establish the Connecticut  
3       Homeownership Assistance for Neighborhood and Community  
4       Empowerment Grant Program. The purpose of the program shall be to  
5       provide to eligible individuals or families grants to assist in the  
6       downpayment and closing costs with respect to the purchase of a  
7       single-family dwelling, a condominium unit, a multifamily dwelling  
8       consisting of not more than three units or a dwelling in a planned unit  
9       development that is located in an eligible municipality.

10       (b) No such grant shall (1) exceed three per cent of the cost of  
11       acquiring such dwelling or condominium unit or ten thousand dollars,  
12       whichever is greater, or (2) be repaid in whole or in part.

13       (c) The Commissioner of Economic and Community Development  
14       shall adopt regulations, in accordance with chapter 54 of the general  
15       statutes, to implement the provisions of this section. Such regulations  
16       shall specify eligibility criteria (1) for individuals and families,  
17       provided such individuals or families are first-time home buyers and  
18       have an annual income of less than or equal to eighty per cent of the

19 area median income for the area of the state in which they live, as  
20 determined by the United States Department of Housing and Urban  
21 Development, and (2) for municipalities, provided more than thirty-  
22 five per cent of all housing units in any such municipality are renter-  
23 occupied.

24       Sec. 2. (*Effective July 1, 2006*) (a) For the purposes described in  
25 subsection (b) of this section, the State Bond Commission shall have  
26 the power, from time to time, to authorize the issuance of bonds of the  
27 state in one or more series and in principal amounts not exceeding in  
28 the aggregate five million dollars.

29       (b) The proceeds of the sale of said bonds, to the extent of the  
30 amount stated in subsection (a) of this section, shall be used by the  
31 Department of Economic and Community Development for the  
32 purpose of the Connecticut Homeownership Assistance for  
33 Neighborhood and Community Empowerment Grant Program  
34 established under section 1 of this act.

35       (c) All provisions of section 3-20 of the general statutes, or the  
36 exercise of any right or power granted thereby, which are not  
37 inconsistent with the provisions of this section are hereby adopted and  
38 shall apply to all bonds authorized by the State Bond Commission  
39 pursuant to this section, and temporary notes in anticipation of the  
40 money to be derived from the sale of any such bonds so authorized  
41 may be issued in accordance with said section 3-20 and from time to  
42 time renewed. Such bonds shall mature at such time or times not  
43 exceeding twenty years from their respective dates as may be provided  
44 in or pursuant to the resolution or resolutions of the State Bond  
45 Commission authorizing such bonds. None of said bonds shall be  
46 authorized except upon a finding by the State Bond Commission that  
47 there has been filed with it a request for such authorization which is  
48 signed by or on behalf of the Secretary of the Office of Policy and  
49 Management and states such terms and conditions as said commission,  
50 in its discretion, may require. Said bonds issued pursuant to this  
51 section shall be general obligations of the state and the full faith and

52 credit of the state of Connecticut are pledged for the payment of the  
53 principal of and interest on said bonds as the same become due, and  
54 accordingly and as part of the contract of the state with the holders of  
55 said bonds, appropriation of all amounts necessary for punctual  
56 payment of such principal and interest is hereby made, and the State  
57 Treasurer shall pay such principal and interest as the same become  
58 due.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2006</i>	New section
Sec. 2	<i>July 1, 2006</i>	New section

***Statement of Legislative Commissioners:***

The provisions of subsection (b) of section 1 were restated for clarity and conciseness.

***BA***        *Joint Favorable Subst.*